

BLUE RIBBON PANEL
Department of Transportation Headquarters Office Building
105 West Capitol
Jefferson City, Missouri
May 15, 2003

Minutes of Meeting

Meeting Notice

The Blue Ribbon Panel appointed by the Missouri Highways and Transportation Commission (MHTC) met on Thursday, May 15, 2003, in the Department of Transportation Headquarters Office, 105 West Capitol, Jefferson City, MO. A meeting with MoDOT District Engineers convened at 12:30 p.m. The Panel's regular meeting convened at 2:30 p.m.

The meeting agenda, showing the date, time, and location of the meeting, was posted in keeping with Section 610.020 of the 2000 Revised Statutes of Missouri, as amended.

Attendance

Members present for regular meeting:

Dr. Jack Magruder, Chairman
Ray Beck
Jim Henson
Tom Irwin
Freeman McCullah
John Mehner
Joe Ortwerth
Larry R. Stobbs
Morris Westfall

Members absent:

Emanuel Cleaver
Karen Messerli
Steve Roberts

MoDOT Staff present and providing resource information:

Henry Hungerbeeler, Director
Kevin Keith, Chief Engineer
Pat Goff, Chief Operating Officer
Rich Hood, Director of Communications

Summary of Meeting

Meeting with MoDOT Employees

Prior to the Panel's regular meeting, the panel members met with the MoDOT District Engineers, without MoDOT headquarters management staff, to gather information pertaining to accountability, credibility, and efficiency issues.

Call to Order – Approval of Minutes

Dr. Jack Magruder, Chairman, called the meeting to order. Upon motion duly made and seconded, the minutes of the April 16, 2003, and April 28, 2003, meetings were approved as submitted.

Presentation from MoDOT's staff with Panel Comments

MoDOT Director Henry Hungerbeeler presented information on the staff's view of specific issues and changes being contemplated to increase credibility and efficiency.

Key to Credibility is Taking Care of Existing System

Mr. Hungerbeeler recalled that both Kirk Brown, former Secretary of the Illinois Department of Transportation, and Dean Carlson, former Secretary of the Kansas Department of Transportation, had reported that the key to credibility is a well-maintained highway system. Mr. Hungerbeeler said that in past years, Missouri had focused on system expansion at the expense of taking care of its existing \$60 billion road and bridge system. Unfortunately, this focus contributed to a decline in the condition of Missouri's roads and bridges. In recent years, MoDOT changed its focus, as reflected by its strategic plan, which sets out the following three components: (1) taking care of the existing system; (2) finishing major improvements that have been started; and (3) building public trust.

Mr. Hungerbeeler reported that the draft 2004-2008 Statewide Transportation Improvement Program (STIP) will increase funding for taking care of the existing system to a level that is anticipated to stop further decline in the system's condition and will result in some increase in the current condition level. He said additional funds allocated to this area would be needed to realize significant improvement over a shorter period of time.

Finishing Major Improvements

Mr. Hungerbeeler said a second issue essential to retaining credibility is to finish major improvements. He reported that the draft 2004-2008 STIP includes projects to complete a number of highway corridors that have been under construction for many years. Significant progress will be made on other corridors during this five-year time period. (The Commission will consider approval of the 2004-2008 STIP at its July 2003 meeting.)

1992 Plan and New Plan Proposal

Mr. Hungerbeeler referred to commitments for roadway improvements outlined in MoDOT's 1992 Fifteen Year Plan. He said there were too many projects in the plan to be built with the anticipated revenues, and he emphasized that the commitments of that Plan were impossible to keep. He stressed that the only reason MoDOT did not honor these commitments in the time period promised was lack of resources to do so. He further advised the group that 97 percent of MoDOT construction dollars in the last ten years has been spent on projects that were included in the 1992 Plan. However, only 23 percent of the 1992 Plan projects have been completed.

MoDOT Chief Engineer Kevin Keith pointed out that the 1992 Plan is the last project specific plan available to the public. He said a new plan (in addition to the five-year STIP) is needed to let people know in a positive manner what they can anticipate in the future. He said the staff is currently in the process of defining concepts, such as improvement to the interstate system, on which a new plan would be based. He anticipated that the various concepts would then be "marketed" with elected officials and others before moving forward in order to reach consensus on a plan in advance of seeking additional funding for transportation. He did not know at this time what the plan would look like or when it would be ready for additional input.

In response to Mr. McCullah, Mr. Keith said he envisioned that the new plan would be of shorter duration than the Fifteen Year Plan and while it would most likely include many of the higher priority projects in the 1992 Plan, it would also include a mix of other projects that were not in the plan, depending upon the concept to be pursued. The 1992 Plan projects that are not included in a proposed new plan would remain as unfunded needs.

Mr. Beck proposed that MoDOT define a project specific plan over a relatively short period of time to put itself in a position to clearly illustrate to Missouri's elected officials and the public that MoDOT keeps its commitments. He felt that evidence of accountability and credibility would need to be shown over a short time period before Missourians would be willing to place its trust in MoDOT for longer term commitments.

Accountability

Mr. Hungerbeeler reminded the group that Kirk Brown had testified that MoDOT's annual accountability report is more detailed than those prepared by any of the other DOT's in the nation. Mr. Hungerbeeler expressed concern, however, that many members of the General Assembly appear to be unaware of the contents of the report or of the report itself.

Mr. Hungerbeeler reported that MoDOT has made significant changes over the past three to four years and, as a result, it has been able to demonstrate its success in keeping commitments. He emphasized that 2002 marked the third consecutive year that MoDOT has delivered construction projects on time and within budget.

Credibility as it pertains to “Diversions”

Mr. Hungerbeeler expressed concern about highway user fees being allocated to entities other than MoDOT. He said the public feels that all state highway user fees come to MoDOT and they blame MoDOT when they learn that this is not the case.

Members of the panel expressed the view that MoDOT created public distrust of proper allocation of funding when it attempted to explain that the entire amount of tax on motor fuel is not available to MoDOT for work on the state highway system. They felt, therefore, that this was a significant credibility issue that should be addressed in the panel’s recommendations to the Commission. Senator Westfall questioned the validity of MoDOT’s statement to the public that it receives only 2.3 cents of the 6-cent phased-in increase in motor fuel tax enacted in 1992. He noted that in arriving at this conclusion, MoDOT was allocating all growth in the subject state agencies to the 6-cent increase when, in fact, some of this growth would have taken place even if the 6-cent increase had not been enacted.

Senator Westfall stated that the Highway Patrol and the Department of Revenue receive funding from highway user fees in keeping with the Constitution, which concludes that such an allocation is appropriate use of those funds. In addition, the General Assembly appropriates highway user funds to the State Auditor and State Treasurer. He noted that a valid argument can be made that once the decision has been made that functions performed by other state agencies merit an appropriation from highway user funds, any subsequent cap placed on those agencies for performing those functions, especially those agencies specified by the Constitution, would be inappropriate.

Senator Westfall agreed with Mr. Hungerbeeler that there needs to be a mechanism to ensure that highway user funds allocated to other state agencies are being spent on highway related purposes, as defined by the Constitution, or contemplated by the General Assembly. Senator Westfall felt that undue MoDOT attention to the issue of expenditure of highway user funds by other state agencies, the cities, and the counties was intended to send a public message that such expenditures were inappropriate, which he did not believe to be the case.

Senator Westfall felt it was appropriate to educate the public with factual information, such as MoDOT receives 9-cents of the 17-cent motor fuel tax, provided the public also be told in a factual manner that the other funds are used by counties, cities, and other state agencies for highway related purposes.

Oversight of MoDOT

Mr. Hungerbeeler noted that many entities provide oversight of MoDOT from different perspectives which demands accountability. He further stated that the Constitution established the Highways and Transportation Commission to oversee MoDOT, and he felt the Commission has done a good job of doing so.

Efficiency

Mr. Hungerbeeler reported that MoDOT attempts to operate in a businesslike manner. He noted that MoDOT had reduced its employees by nearly 300 positions over the last two years; half of these positions were at the district level and half at the headquarters level. Mr. Keith clarified for the group that outsourcing had not increased due to the job reductions.

Mr. Hungerbeeler stated that MoDOT's fleet management has become a model for the rest of state government.

Mr. Hungerbeeler reported that a cooperative effort between MoDOT's Inspector General and State Design Engineer has resulted in increased competition on highway construction projects.

MoDOT Proposals to Increase Efficiency

1. Toll Roads

Mr. Hungerbeeler said that while MoDOT has not identified many areas where tolling would be cost effective, he would like to be able to use tolling where appropriate. He said the staff continues to work with the State of Arkansas to find a means to fund the Missouri portion of Route 71 connecting to Route 71 in Arkansas, which will be constructed as a toll road in Arkansas.

Senator Westfall advised the group that statutes allow private groups (third parties) to form quasi-governmental organizations for the purpose of building toll bridges or toll roads. Mr. Keith noted that the possibility of Arkansas being the third-party for this purpose was being investigated as a means to toll the improvement noted above.

Mr. Keith reported that proposals are being considered at the federal level to allow tolling for reconstruction of the interstate system.

2. Consolidating Facilities

Mr. Hungerbeeler felt that increased efficiency can be realized by consolidating MoDOT facilities. He reported that MoDOT has over 600 facilities throughout the state, including maintenance buildings, weigh stations, rest areas, Resident Engineer offices, Area Engineer offices, District Offices, and Headquarters offices.

Mr. Hungerbeeler reported that employees assigned to MoDOT headquarters are located in eight different facilities, most of which are leased. He stated this leads to inefficiency and needs to be addressed.

Mr. Keith noted that the Highway Patrol agrees with MoDOT's analysis that outbound weigh stations should be closed; Mr. Hungerbeeler said that some rest areas should be closed, while others should be rebuilt.

Mr. Hungerbeeler noted that Missouri has more facilities per lane mile than other states, and in some locations five or six maintenance facilities are located within a 15-mile radius. He stated that downsizing had resulted in some of the maintenance facilities currently housing only two or three employees. Because most maintenance functions require a minimal four-man team, these employees must combine with another facility to perform their assigned duties. Many of the maintenance facilities no longer meet health and safety standards and cannot accommodate the new equipment.

Mr. Keith explained that consolidating maintenance facilities would result in greater efficiency and a standardized level of service on various types of roads. He anticipated that service on high volume roads, which carry 82 percent of the traffic, would increase, but acknowledged that extraordinary service that may currently be taking place on very low volume roads may be reduced in order to be consistent with other roads of that type throughout the state.

Mr. Hungerbeeler reported that at the current level of investment in facilities, MoDOT would replace its building every 102 years. He said the Commission in recent years has authorized a \$13 million annual capital improvement program, but actual expenditures have been less than that amount. He said that MoDOT continues to get farther behind on its facilities upkeep.

In response to inquiries from Mr. McCullah and Mr. Ortwerth, Mr. Keith acknowledged (1) that most of the public concern about closing maintenance buildings resulted from concern of the MoDOT employees assigned to those buildings; and (2) there is a potential for negative public perception when MoDOT spends money on buildings in lieu of highways. In order to ensure public understanding of these issues, Mr. Keith felt that this issue should be pursued independently of other major transportation issues.

Senator Westfall expressed concern about reducing the number of rest areas and suggested that other appropriate state agencies, such as Economic Development, participate in the cost of these facilities.

In response to Dr. Magruder, Mr. Keith estimated that \$8 million to \$10 million could be saved through facilities consolidation. He clarified that this amount included sale of all property that would be vacated and reflected the savings that would be realized through a reduction in supervisory personnel.

3. Responsibility for the Highway System

Mr. Hungerbeeler said while he was not advocating returning roads to local jurisdictions, he would like to pursue some public discussion as to where particular types of roads should be assigned and how they should be funded.

Mr. Keith said that preliminary data indicates there are approximately 1,000 miles of roadway in MoDOT's system that would more appropriately be city streets and 5,000 miles of the 22,000-mile supplementary system that are either dead-end or carry less than 400 vehicles per day. In addition, there are approximately 100 miles of road that connect to ports or other

multimodal facilities that should be a part of the state highway system, but currently is not. He anticipated that additional roads connecting multi-modal facilities would be identified as the staff further studies this issue.

Mr. Ortwerth suggested that proposals regarding responsibility for roadways may be less threatening to the local areas if MoDOT would first develop a proposed plan so they realize MoDOT's ultimate goal is not to return high volume roads to local jurisdictions.

Senator Westfall recalled that MoDOT had assumed responsibility for some of its supplementary system as a result of an increase in funding for highways.

4. Tort Reform

Mr. Hungerbeeler reported that costs resulting from personal injury cases have become increasingly higher each year. He reported that the \$300,000 sovereign immunity cap applies to MoDOT, as a state agency, but not to MoDOT's employees. Defending and paying settlements on behalf of the employees results in multi-million dollar costs.

5. Reducing Management Levels

Mr. Hungerbeeler said he was confident that he would reduce the number of management levels and supervisors within MoDOT, but to date he had not had sufficient time to focus on this issue. He anticipated that personnel reductions gained in this area would be allocated to the maintenance work force to save money and improve service.

Communications

Mr. Beck felt there was a tremendous need for MoDOT to have a communication plan so the public will be in a better position to know the status of MoDOT performance.

Mr. Ortwerth and Mr. Mehner felt that it was very important to regain support of the General Assembly and local elected officials in order for these officials to be of a mindset to change any negative perception of the public about MoDOT.

Next Meeting

Dr. Magruder reported that contact had been made with Tom Warne, former Secretary of the Utah Department of Transportation, who has agreed to visit with the panel members via telephone conference. The panel will be notified of the date and time scheduled for the call.

Adjournment

The meeting adjourned at 4:00 p.m.

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